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West Virginia Department of Environmental Protection

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ABANDONED WELL INITIATIVE ENFORCEMENT PROTOCOL

Introduction

The Office of Oil and Gas ("OOG") developed a program in mid-2002 aimed at addressing the extensive number of abandoned wells in the State. This program, called the Abandoned Well Initiative ("the Initiative"), provides an opportunity for all oil and gas well operators ("Operators") who have wells which are determined to be abandoned as defined in WV Code §22-6-19, to enter into a Compliance Agreement (Agreement) with the OOG in which the Operator agrees to bring their abandoned wells into compliance, by plugging or putting the well back into production, over a ten (10) year period. Assuming the Operator is in compliance with the Agreement, the OOG will not pursue enforcement action against wells registered under the Agreement for violations of WV Code §22-6-19. This Abandoned Well Initiative Enforcement Protocol outlines the process and actions to be undertaken by the OOG in pursuing enforcement against Operators having abandoned wells not covered by an Agreement.

Identification of Non-Compliant Operators

Operators who wish to participate in the Initiative are required to execute the Agreement and submit their list of abandoned wells by <u>January 31, 2003</u>.

The OOG will then compile a listing of all Operators having abandoned wells, based primarily upon the 2001 production data, who have not signed up to participate in the Initiative. Operators identified through this process will be subject to enforcement actions, starting with the Operators who have the largest number of abandoned wells. The enforcement action initiated by the OOG may be for all of an Operator's abandoned wells or some percentage of the abandoned wells, depending upon the number of wells involved. However, all Operators with abandoned wells will receive a Notice of Violation and follow-up enforcement actions will be pursued.

Enforcement Steps and Timetables

Beginning February 1, 2003, the following steps and timetables will be initiated against Operators, with abandoned wells, who have failed to enter into the Initiative.

1. Notices of Violation will be issued to Operators with wells not in compliance with WV Code §22-6-19, which states that any well which is not in use for a period of 12 consecutive months shall be presumed to be abandoned and shall be promptly plugged. Each such Notice of Violation shall allow for a 7-day abatement period as provided in WV Code §22-6-3. A penalty of \$2500.00 will be assessed against the Operator for each well for which a Notice of Violation is issued.

- 2. Operators failing to comply with a Notice of Violation within the abatement period will be issued a Plugging Order. Failure to comply with the Plugging Order will make the Operator subject to a penalty of \$25,000.00, pursuant to WV Code \$22-10-9.
- 3. Operators also may be subject to a penalty of \$2,500.00 per day pursuant to WV Code \$22-6-34.
- 4. In addition to the plugging order and imposed penalties, violations that remain unabated beyond the set time limit may result in bond forfeitures under WV Code §22-6-26.

Enforcement Alternatives

After January 31, 2003, an Operator may request permission to enter into a Compliance Agreement under the Initiative, subject to an additional \$100.00 per month per well penalty for each month or part of a month that has elapsed since January 31, 2003. The time period provided for such Operator to achieve compliance will be limited to the time remaining under the Initiative.

Summary

The OOG has put forth the Initiative in order to provide Operators an opportunity to bring their wells into compliance with the provisions of WV Code §22-6-19 in a manner that is fair and reasonable. The OOG will ensure the successful implementation of the Initiative through enhanced enforcement against Operators who do not place their abandoned wells in the program or who fail to bring their abandoned wells into compliance.

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